



United States Department of the Interior

5/001/039

BUREAU OF LAND MANAGEMENT

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DIV. OF OIL, GAS & MINING

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February 7, 2003

Mr. Stuart Havenstrite, Director
Nevada Star Resource Corporation
10735 Stone Avenue North
Seattle, Washington 98133

Dear Mr. Havenstrite:

This letter serves as a follow up to a phone conversation I had with you on February 6th concerning Nevada Star Resources' Milford District mine and reclamation plan, originally submitted to this office in June, 1998. Through letter dated September 16, 1998, this office granted approval of the plan of operations, subject to certain mitigation measures identified by the environmental assessment prepared for the project.

The focus of our conversation was determining if Nevada Star would be keeping this plan open. In an earlier letter from this office to Nevada Star (copy enclosed) I had suggested that it might be appropriate for Nevada Star to close out the currently approved plan for this project and re-file it at a later date, if the project should ever be re-activated. To summarize and re-iterate what was discussed in that letter and in our phone conversation:

1. Nevada Star has withdrawn their large mine permit application with the Division of Oil, Gas, and Mining
2. The approved Nevada Star plan of operations submitted to BLM is almost 5 years old and, given the outlook for Cu prices, it is unlikely the project would go forward in the immediate future.
3. If the project does proceed, it is unlikely that it would proceed under the same scenario presented in the currently approved plan and analyzed in the existing EA.
4. Effective January 20, 2001, the 43 CFR 3809 regulations, under which the Milford Copper project plan of operations was reviewed and approved by this office, were substantially modified. Recent guidance I have received on implementing those regulations directs me to require that the plan be bonded under the new regulations, *even though project disturbances have not occurred.*

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Item 4 above is probably the most compelling reason to close out this plan, since the recent requirement to bond any disturbances authorized by the plan would translate to a substantial immediate cost to Nevada Star.

Based on our discussion of these issues, you indicated to me that Nevada Star would likely chose to close out this plan.

I will provide Nevada Star with 30 days from the receipt of this letter to reflect on the whole matter and notify me if it wishes to keep the plan active and post a bond to secure reclamation of the disturbances proposed by the plan. Should Nevada Star not respond in 30 days, I will interpret that as being Nevada Star's decision to close out the plan.

I can be reached at the above address and by telephone at 435-865-3040.

Sincerely,



Ed Ginouves
Mining Engineer

Enclosure: Copy of letter from BLM CCFO to Nevada Star Resources, dated 12/20/2002

cc: Mr. Tom Munson, DOGM
Mr. Stuart Havenstrite, Director, Nevada Star Resources, 8111 Maio Drive, Sandy, Utah 84093